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SUBJECT: CLIMATE CHANGE VULNERABLE KOLKATA LOOKS TO INDIAN AND US  
GOVERNMENTS FOR LEADERSHIP

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¶1. (U) Summary: The eastern Indian city of Kolkata is one of the world's most vulnerable cities due to coastal flooding and the effects of climate change. While the West Bengal state government has set up a state-level Climate Committee and secretariat to formulate and implement adaptation strategies, the committee has yet to influence state policy. Large manufacturers are incorporating low carbon strategies in their business plans, but smaller manufacturers have not yet been convinced of the business case for energy efficiency and a low carbon future. Indian interlocutors across the board agree with the GOI's position that the GOI should not commit to legally binding emission cuts at the upcoming climate negotiations in Copenhagen in December 2009 since India's carbon emissions are already much lower per capita than in developed countries. At the same time, they do however recognize that India should make voluntary efforts to embark on a sustainable low carbon growth path. They appreciate renewed U.S. focus and look towards U.S. leadership in providing funding and technology for the developing world to address the global challenges of climate change.

#### Impacts of Climate Change to Hit Coastal Kolkata Hard

¶2. (U) Kolkata, the capital of the East Indian state of West Bengal, is located five meters above sea level in the Ganges delta on the banks of the river Hooghly. Greater Kolkata's 14 million inhabitants are highly vulnerable to coastal flooding due to rising sea levels and more intensive precipitation as a result of climate change. A 2007 OECD report analyzing the impact of coastal flooding in port cities worldwide ranked Kolkata sixth among the ten most vulnerable cities in the world. The report predicts that by 2070, Kolkata will displace Mumbai as the city with the highest population in the world exposed to coastal flooding.

#### State Government Focused on Adaptation

¶3. (U) The West Bengal state government's Chief Environment Officer Debal Ray told EconFSN that the state government recognizes Kolkata and West Bengal's vulnerability to climate change. In 2007 it constituted a Chief Minister-led interdepartmental Climate Committee and a secretariat to coordinate and implement all climate change related activities in the state. However, despite the formation of an inter-departmental committee, Ray regretted that politicians were yet to factor in climate change and the environment in

major departmental policy decisions. The World Bank and the Asian Development Bank are currently funding a vulnerability assessment study of greater Kolkata, expected in November 2009, to identify key policy priorities for decision makers. According to Ray, the state government will focus on adaptation strategies such as refurbishment of urban drainage systems, construction of seawalls, change in land use, adoption of early warning systems and improved disaster preparedness. He said that the state will consider taking up only cost-effective mitigation actions, like incentivizing the use of CFL in place of incandescent bulbs. He mentioned that based on the findings of the World Bank - ADB study, the state will consider drafting a state-level action plan on climate change along the lines of the GoI's National Action Plan on Climate Change (NAPCC).

#### Large Scale Industries Pursue Carbon Reduction Strategies

14. (U) Heavy industries and most of the big business houses based in the region recognize that climate change poses a threat to their long term sustainability and have adopted well defined strategies to lower their carbon emissions. The Kolkata-based international consumer goods giant and hotelier ITC Ltd. has adopted a triple bottom line policy which apart from improving economic profitability also emphasizes environmental sustainability and corporate social responsibility. In July Secretary Clinton visited the ITC's Green Building Center outside of New Delhi and learned about the company's efforts to reduce its carbon footprint. In energy intensive industries like steel, leading players like Tata Steel are concentrating on improving energy efficiency through investment in, and deployment of, breakthrough energy efficiency technology. CESC Limited, a leading Kolkata-based private sector power generation company, is benchmarking its practices against the most efficient power generating companies in the world. The CESC Senior Environment Manager told EconFSN that the company had benefited from private sector exchanges organized under the Asia Pacific Partnership on Clean Development and Climate.

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15. (U) PricewaterhouseCoopers Associate Director for Sustainability Surojit Bose opined that the Kyoto Protocol's Clean Development Mechanism tool has incentivized companies to adopt green technologies through the promise of carbon credits, although most of the large business houses like ITC and Tata believe that carbon management makes business sense even without the additional benefit. Bose offered that large companies are now moving beyond mitigation actions, and have started to turn their eyes towards adaptation strategies.

#### ~While Small And Micro Industries Remain Unaware Of The Threats Of Inaction

16. (U) On the other hand, small and micro industries have a very poor record of environmental compliance or the propensity to adopt low carbon technologies. Vice President of the Federation of Small, Medium and Micro Industries Goutam Roy said that the primary concern of manufacturing industries in the small and micro sector is bottom line economic survival. He said that there is little awareness or even interest in energy efficiency or environment friendly production in segments such as cast iron foundries, sponge iron manufacturing units and micro units manufacturing non-ferrous contact points for the electrical industries as it is assumed to be cost-prohibitively expensive. He opined that "nearly 80 percent of the small and micro units use outdated, energy intensive manufacturing technologies and regularly flout environmental regulations". The small, independent and unorganized natures of the manufacturers make it difficult to reach and regulate the industry. He stressed the importance of government action, in the form of regulation, to curb emissions in the small and micro industry sector, without which the units will continue with business as usual.

#### Civil Society Generates Awareness and Prompts Government Action

17. (U) In Kolkata civil society has placed an active role in

generating public awareness about the necessity of addressing the effects of climate change and advocating for government action. In the city, it is not uncommon to read about public lectures on climate change or see billboards highlighting the importance of protecting the environment. Recently, environmental activists working with the courts were successful in forcing the state government to implement the ban of transportation vehicles older than 15 years in the city of Kolkata. Professor Joyashree Roy, Head of the Global Change Unit at Jadavpur University, advocates a stronger role of the state government to incubate and disseminate new technology to small and medium enterprises to make them aware about the benefits of adopting low carbon technologies.

#### Kolkata Business and Civil Society Support GOI's Position at the Climate Negotiations

¶18. (U) In Kolkata on August 28, the Indian Prime Minister's Special Envoy on Climate Change Shyam Saran articulated the GoI's policy on climate change and energy security. He emphasized that at the upcoming December climate change negotiations in Copenhagen India would not commit to legally binding emission reductions, although it would voluntarily commit to keeping its per capita emissions lower than the average emissions of the developed countries. Referring to the Bali Action Plan, he cited the developed world's responsibility for historic emissions in advocating for a transfer of funds and technology to assist developing countries with adaptation and mitigation actions. He cautioned that the GoI opposed tariffs on goods originating from countries that did not accept binding emission reduction or sectoral targets.

¶19. (U) Across the board, interlocutors from private industry and civil society support the GoI position that it should not commit to legally binding emission reductions at the upcoming climate talks in Copenhagen. Contacts frequently make the argument that "climate preservation" must not trump "poverty reduction". They do; however, accept the notion of environmental responsibility - one is hard pressed to find anyone who espouses the view that India has a "right to pollute". Ray and Bose believe that climate action strategies should dovetail those aimed at achieving the millennium development goals. A general consensus exists that while India does not need to make an international commitment to reduce emissions, the country does need to make voluntary efforts to tread on the low carbon path in the years to come and that the NAPCC, although not perfect, is a good

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starting point. Civil society is generating awareness about climate change and encouraging the government to play a positive role, whether through fiscal and financial incentives, or regulation.

#### Appreciation for New U.S. Focus on Climate Change

¶11. (U) Interlocutors in Kolkata appreciate the Obama Administration's renewed focus on climate change and simultaneously acknowledge the importance of USG leadership on the issue. They look forward to developed countries' proposal in Copenhagen in regards to emission reduction targets, funds and technology transfer. Several remarked that U.S. credibility and its bargaining position at Copenhagen would be enhanced with the passage of the U.S. climate action bill.

#### Comment

¶12. (SBU) In Kolkata there is wide spread recognition that climate change is a serious problem that could have a devastating impact on the city. As a result, in this urban cosmopolitan metro - one of India's four - the United States will find a receptive audience to new initiatives and leadership on climate change. USG public statements that acknowledge developed countries' collective responsibility for historic emissions and emphasize our willingness to assist vulnerable developing countries with funds and technology transfers will be well received across the political and economic spectrum and

will promote a growing perception that the USG is serious about  
combating climate change.  
PAYNE